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11 March 1961

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CENTRAL

INTELLIGENCE

BULLETIN



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State Dept. review completed

TOP SECRET

CENTRAL INTELLIGENCE BULLETIN

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25X1 Approved For Release 2003/02/27: CIA-RDP79T00975A005600100001-8 CENTRAL INTELLIGENCE BULLETIN 11 March 1961 25X1 DAILY BRIEF Congo: In a 9 March discussion on the Congo with an American official, Hammarskjold expressed the belief that 25X1 further outbreaks in the Lower Congo were unlikely for the time being. Relations between the UN and local authorities, however, remain uneasy. He indicated that he had not vet found a replacement for Dayal and said that Makki Abbas of Sudan, the interim appointee for the job, was "not the best man in the world but would be all right." Hammarskjold is also hopeful that several additional countries will contribute contingents to the UN force. Another UN official has said that the Somali and Malagasy republics might contribute a battalion each within a month. The Tananarive conference, by conceding the existence of several de facto centers of power in the Congo, has strengthened Katanga's claim to autonomy and has enhanced Tshombé's position as the leading figure in the anti-Gizenga bloc. 25X1 (Backup, Page I) *Laos: In his remarks to Ambassador Thompson on Laos, Khrushchev took a generally positive line, pointing out that the US and the USSR agree that the objective should 25X1 be neutrality for Laos, that this represents a step forward, and that bilateral conversations should be continued. He said that neither the US nor the USSR stands to gain anything from a continuation of the fighting and that this would only damage relations between the two countries. He warned, however, that any prolonged delay in reaching a solution would complicate the problem and could cause the fighting to flare up. He also ĭ

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25X1	flict" would lead to Khrushchev offered ment and confined h Souvanna Phouma as Sihanouk's proposal said he would welco	ove toward "aggravating the the defeat of the Boun Oum go no new proposals for arrangimself to reaffirming Soviet to the lawful government and for a 14-nation conference. The me a neutral Laos on the Ause Cambodia's and Burma's Description.	government. ging a settle- support of for Prince Khrushchev strian model,	25X1
	west of the Plaine de Kassy, an important highway, is reported 10 March. This reweek of government road junction north Lao forces evidently vantage, but inform insufficient to tell were west of the Plaine de Kassy, an important vantage, but information insufficient to tell were well as	ry pressure by Kong Le - Pa es Jarres continues to increa t point on the Vientiane - Lu d to have been occupied by the port follows the withdrawal troops from the strategic P of Muong Kassy. The Kong y are continuing to press the ation available as of 0500 ES thether they have embarked of ment forces in the area.	se. Muong ang Prabang ne enemy on earlier this hou Khoun Le - Pathet nis initial ad-	25X1
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25X1	negotiations will be to achieve a nuclear	e sharply lim	ited by Peiping			25X′
	USSR: Mosco oil tankers to transthe USSR embarked latter half of 1960, from the Netherlar Yugoslavia. Delive nage of the Soviet 1960 to at least 1,5 Page 5)	sport rising and on its tanked more than 2 ands, Japan, I sery of these tanker fleet f	er procurement 30 tankers have taly, West Gern tankers will rai	n exports. Since program in the been ordered many, and less the ton-	e oŁ	2
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25X1	East Germany consider that maki of West Germany i shifts in bloc econo and probably desire Germany's trade pa shift is reflected in countries on 23 Fe	ng the East Os urgent enough omic planning es to effect of attern. The first the 1961 tra	igh at this time ig which would be nly a gradual slinitiation of sucude protocol sig	y independent to warrant the e necessary, hift in East h a gradual ned by the two	25X1	2 2

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	conclusion of the t	ere may be disorders in Addis rial of General Menghistu, th	e former com-	
25X1	ecuted for treason in last December's elements of the po	erial Body Guard, who is exp . Menghistu, who played a p s abortive coup, is gaining ac pulace of Addis Ababa as a re bol of the need for reform in	rominent role OF ceptance among evolutionary	
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Situation in the Congo

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According to a UN military official in New York, the 1,000-man Moroccan contingent in Katanga seems to have embarked on a systematic program of harassment and non-cooperation with the UN Command. Their morale is said to be completely broken, and they allegedly have "laid down their arms." (Hammarskjold had hoped to send the group to Matadi in a show of force, but the troops reportedly stated that they would obey directives only from Rabat. Rabat has ordered this group—the only remaining part of a force which originally totaled 3,200—to withdraw from the Congo, but it has been delayed by transportation difficulties?

The Tananarive conference apparently has agreed that the existing central authority should be scrapped, along with the present provincial structure. In their place a group of new states, based largely on tribal lines, would be created, with an ill-defined "community of united nations" arrangement for a central authority, presumably in Leopoldville, which would become a "neutral city." The participants apparently are agreed that any solution reached at the conference will be an interim one and that any definitive reform must wait until the country is pacified. The absence—and presumably the nonconcurrence—of Gizenga will make implementation of these proposals difficult and will probably lead to opposition to them among his international supporters.

Tshombé seems to have been successful in his efforts to reach agreement on replacing the present structure with a loose confederacy. Except for Albert Kalonji of southern Kasai--who is largely dependent on Tshombé's patronage--the other participants have an interest in retaining some type of central authority--Kasavubu and Ileo by virtue of their positions in the present central government, and Leopold-ville Provincial President Kamitatu because of his long association with Lumumba's ideals of a unitary state. However, local ties still have considerable importance for most of them, and none seems to be willing to face up to strong pressure.

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from Tshombé. As a result, the conference has been able to issue a vague communiqué recognizing states now existing "by right or in fact."

The only well-defined point on which the participants agree seems to be opposition to the UN. For the most part they are trying to limit their discussions to general principles, leaving contentious details to be worked out in a larger conference tentatively scheduled for the end of March in Elisabethville. Such a conference, which might be attended by as many as 400 leaders of varying political stature, would be likely to become involved in extensive wrangling.

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Khrushchev Minim	zes Urgency of Nuclear Test	
Ban Agreement		

Khrushchev began his remarks on the nuclear test ban issue by stating that there had been no tests for over two years and that "we were not living badly." He claimed that the USSR had a sufficient stockpile of weapons and that even if tests were stopped, weapons production would not be. He repeated that if the US accepted the Soviet plan for complete and general disarmament, the USSR would accept full control. Khrushchev also told the ambassador that he had read Ambassador McCloy's recent speech on disarmament and felt that he had been talking instead about armament.

Khrushchev's generally negative approach probably reflects the conflicting pressures which the USSR faces as the talks resume in Geneva on 21 March. As a result of the role which disarmament, a nuclear test ban, and Chinese desires to achieve a nuclear weapons capability played in the Sino-Soviet dispute, Khrushchev must weigh the advantages the USSR could derive from further prolonged negotiations and a possible agreement against the obvious risk that this course will impel the Peiping regime to discard the precarious truce produced by the Moscow Communist meeting. The Chinese almost certainly will view the USSR's behavior at Geneva as the first major test since the Moscow conference of Khrushchev's intentions regarding the whole range of Soviet policy toward the US and its allies. The Soviet premier, on the other hand, is well aware that the Western powers will be applying a similar test and that developments in the Geneva talks will have a strong bearing on the West's attitude toward high-level negotiations on major East-West questions, such as Berlin and Germany./

Although the precise course of Soviet policy at Geneva will depend in part on Moscow's assessment of Western intentions after the initial phase of probing of positions, Soviet spokesmen have indicated to Western sources that Moscow still considers the Chinese Communist factor more of an incentive than an obstacle to an agreement.

	: Khrushchev's ulti		
tion will be determ	ined by two higher	priority cons	iderations:

posti and	re of relative ts Western a rable terms.	ve moderation allies in obtain and 2) Chine	and restrain ning a summi se Communis	he USSR's present at toward the US at conference on the treaction and action on the USSE	
posi	tion in the C	ommunist wor	<u>ld.</u> /		

USSR Buys More Non-bloc Tankers

The USSR has recently contracted with Japan for the construction of two 35 000-dead-weight-ton (DWT) tankers, in addition to the four it ordered last December. Two Japanese-built tankers bought by the USSR last fall are already being used for Soviet deliveries to Cuba.

During recent trade negotiations with Italy, the USSR arranged for the purchase of as many as 11 tankers. At least one, and possibly three, 48,000-DWT tankers will be delivered this year. Six to eight 35,000-DWT tankers are to be built for the USSR during 1962-1965.

Negotiations for tankers from West Germany have also been conducted by Moscow but have not yet resulted in firm commitments. The new Soviet - West German trade agreement lists tankers in a clause calling for Germany to supply some \$37,000,000 worth of ships to the USSR during 1961-1963. Moscow, in addition, is seeking to buy one 32,000-ton tanker from Spain.

the USSR in 1960, apparently has agreed to supply several others. Earlier this month Yugoslavia turned over a newly constructed 25,000-ton tanker to the USSR and may have
agreed to supply one more.

The Netherlands, which delivered one large tanker to

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Soviet - East German Trade Relations

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Trade between East Germany and the USSR is planned to reach a level of over \$2 billion this year. Soviet deliveries of many commodities, including ferrous and nonferrous metals, are scheduled to increase in line with the provisions of the long-term agreement, while deliveries of chemicals and engineering products are to be higher than the amounts stipulated by the agreement. The total increase in trade is not sufficient to enable East Germany to reduce significantly its reliance on West Germany as a source of many necessary materials. West Germany now accounts for about 11 percent of East Germany's total trade and is second only to the USSR as East Germany's most important trading partner.7

East Germany will probably seek alternate sources for traditionally West German imports in other Western countries as well as in the satellites. Trade with the industrial countries of the West, however, would be limited by East Germany's inability to provide goods of sufficient quality and quantity to pay for them.

In at least one key industrychemicals	25X1
	ates concerning
the reduction of dependence on West German deli	
overly optimistic and must be revised.	it may 25X1
take as long as three years to become independent	nt of West Ger-
man chemical deliveries and five years to achiev	re independence
from other Western countries. Other areas of the	ne East German
economymachine building and metallurgyare	probably even
more sensitive to any interruption of Western in	ports. While
East Germany has affirmed its great interest in	continuing in-
terzonal trade, Deputy Premier Heinrich Rau hi	nted at a press
conference at the Leipzig Fair that the regime in	new no longer
the character of such trade. "It may be that we n	nd other goods
need the same goods," he said, "but we shall ne instead; goods for which we can overnight switch	over to other
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suppliers!	25/1
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US - West German Relations
Adenauer's press conference statement on 10 March that he fears further damage to West Germany's reputation from the impending trial of Adolf Eichmann in Israel. In reply to a reporter's question, Adenauer also stated it was "quite possible" that Bonn might arrive at a kind of nonaggression pact with Poland but indicated that negotiations were dormant for the time being.
Adenauer has recently made cautious overtures to Warsaw in anticipation of a more flexible US policy toward Poland. He favors improving relations by undertaking a number of conciliatory moves such as extending economic aid and increasing trade, but he opposes diplomatic relations because the Poles continue to insist that Bonn first accept the Oder-Neisse line-something Bonn refuses to do chiefly because of domestic political considerations.
Adenauer's strong desire for continued close ties with the US was clearly indicated by his press conference statement that he did not believe the administration's review of policy toward Germany would lead to any basic changes, since the alliance is based on "political and geographic facts which remain the same."
Nevertheless, Adenauer's underlying fear of a possible decision by the United States to reduce its European commitments, including the withdrawal of US military forces in Europe,

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France in	ome kind	of continenta	onsider draw	ving closer to	'
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Ethiopian Dissidence Growing

The Emperor has not carried out reforms for which there has been considerable pressure and his recent government appointments represent essentially a reshuffling of the conservative old guard. Such inaction is increasing the widespread discontent among the young educated class, whose minimum demands include the establishment of a constitutional monarchy.

Antiregime leaflets, which have been distributed in Addis Ababa by dissident elements since last December, are becoming more menacing in tone; some recently have threatened that the Emperor would be assassinated if Menghistu were executed. Efforts by the security forces to determine the origin of the leaflets are believed unsuccessful to date, although large numbers of students and other suspects have been arrested. Subversive slogans are appearing on public buildings, and rumors are being spread that clandestine radiobroadcasts are calling for uprisings and attacks on the homes of prominent government officials.

Officials in Ethiopia's Interior Ministry believe the outcome of the trial against Menghistu and other rebels is a foregone conclusion and that they will be convicted and publicly executed. The government, however, does not expect public disturbances, despite the indications of growing unrest.

The deteriorating political situation in the capital appears	
to be spreading to eastern Ethiopia,	25X1
large numbers of former Imperial Body Guards-	,,,
menabsolved of blame for the recent coup but reassigned to	
units in the remote Ogaden region-deserted their new posts with	
full equipment in late February. The whereabouts of an additional	
850 guardsmen who were scheduled to arrive in the area some	
time ago is also unknown.	
a group of middle-level army	
officers, dissatisfied over low pay scales and conditions in gen-	
eral, is joining the malcontents who favor the objectives of the	

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_	rebels. There is no firm evidence, however, that there is yet a strong leader capable of attracting sufficient support among the dissidents to pose a serious threat to the regime.	
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Approved For Release 2003/02/27: CIA-RDP79T00975A065600100001-8 THE PRESIDENT The Vice President Executive Offices of the White House The Special Assistant for National Security Affairs The Scientific Adviser to the President The Director of the Budget The Director, Office of Civil and Defense Mobilization The Director, National Aeronautics and Space Administration Chairman, Board of Consultants on Foreign Intelligence Activities The Department of State The Secretary of State The Under Secretary of State The Director, International Cooperation Administration The Deputy Under Secretary of State for Political Affairs The Deputy Under Secretary of State for Administration The Counselor and Chairman of the Policy Planning Council The Director of Intelligence and Research The Treasury Department The Secretary of the Treasury The Department of Defense The Secretary of Defense The Deputy Secretary of Defense The Secretary of the Army The Secretary of the Navy The Secretary of the Air Force The Assistant Secretary of Defense (International Security Affairs) The Assistant to Secretary of Defense (Special Operations) The Chairman, The Joint Chiefs of Staff Chief of Naval Operations, United States Navy Chief of Staff, United States Air Force Chief of Staff, United States Army Commandant, United States Marine Corps U.S. Rep., Military Committee and Standing Group, NATO Supreme Allied Commander, Europe Commander in Chief, Pacific The Director, The Joint Staff The Director for Intelligence, The Joint Staff The Assistant Chief of Staff for Intelligence, Department of Army The Director of Naval Intelligence, Department of Navy The Assistant Chief of Staff, Intelligence, Department of the Air Force The Department of Justice The Attorney General The Federal Bureau of Investigation The Director The Atomic Energy Commission The Chairman The National Security Agency

The Director

The United States Information Agency

The Director

The National Indications Center

The Director

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